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Dutch Mercantile Networks and the Trade with the Hispanic Port Cities in the Atlantic (1648-1778)*

1. Introduction

Historiography on Spanish colonial trade emphasizes the essential role played in the Spanish expansion in the Atlantic by non-Hispanic mercantile networks settled in the port cities of the Iberian Peninsula. Communities of foreign merchants, mostly Anglo-Irish, French, Flemish, and Dutch, lived in the Iberian Peninsula and enjoyed a prosperous trade at the main urban nuclei. The port city of Cadiz had a paradigmatic functionality as a crossing point for several maritime routes. Various studies have highlighted the prosperity reached by Cadiz and by so many other cities on the Spanish shore. Different communities of foreign merchants had settled there, to a lesser or a greater extent, mainly during the second half of the 17th century and throughout the 18th century. Due to the very nature of certain urban centers such as Bilbao or Malaga, foreign colonies had a considerable impact on the evolution and development of the economic relationship between the North of Europe and the South of the Iberian Peninsula. This is clearly shown, especially, in the influence that Southern Spain had on the Atlantic markets. It is worth highlighting that, in the most recent historiography, we have moved from studying those colonies *in situ* to analyzing them as actors and factors in a process of spatial and regional integration spreading beyond all national borders.¹ The complexity of the networks, finely interwoven by the various colonies of merchants of different nationalities in and around American and Span-

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¹ See Klein/Veluwenkamp (1993: 27-55); Crespo Solana (2001; 2002: 446-467); Weber (2004); Bustos Rodríguez (2005); García Fernández (2005).

ish markets and ports, deserves a deeper investigation. Such an investigation should aim at studying the role played by the mercantile actors who built the foundations supporting the different monopolies. Such monopolies were created by a multitude of trade companies thriving in some heavily competitive markets. These companies were swayed by shifting winds that affected the social fabric at political, social and economic levels.

Based on the example of the Dutch merchant community in Cadiz, this paper seeks to outline the role played by these communities in the Spanish Atlantic expansion. In order to do so, we have taken into account the strategies of the colonies' businessmen (extensively dealt with in my own works), and we have analyzed the major connections with those American ports reached via Cadiz. With that in mind, we will also try to offer a comparison between direct trade from Amsterdam to several American ports, mainly in the Caribbean, and trade carried out via Cadiz. We will describe the nature of this trade from Cadiz and its connection with various American cities. There are a number of reasons for choosing a specific chronological frame, in which factors of a political, social and economic character converge. A general assessment can be made between 1648 and 1778. Such a long period also meant a transition between centuries. It is a long period of crisis, in its etymological sense. A series of warlike conflicts caused certain structural changes of an economic nature. At the same time, well into the second half of the 17th century and throughout the enlightened 18th century, the old enemies of the Hispanic Monarchy had devised some sophisticated trading mechanisms between Spain and America. It was due, mainly, to the fact that the south of the Iberian Peninsula and the Baltic regions were highly complementary and mutually dependent areas, combined with the particular importance of Dutch transport in the exchange between both areas. In the same way, the complicity between Dutch merchants and the Flemish colony of Southern Andalusia (the latter being thoroughly integrated into the Spanish society), had been central to the routes of these convoys, which linked certain northern European ports to southern Spain and several American ports. At those American ports, Dutch merchants

had appointed agents and partners. Many of them had a Dutch origin; among them many Jews could also be found.²

2. Foreign trade in Cadiz: The Dutch case in the 17th century

But, what was the nature of such trade carried out by Dutch colonies in the Hispanic world, and specifically, through the city of Cadiz?

Since the Truce of the Twelve years (1609), Dutch merchants were able to trade with America from Cadiz, Seville, Sanlúcar de Barrameda, El Puerto de Santa María and Malaga. They traded in cereals, textiles, manufactures from their own Oriental colonies, and shipbuilding material, in exchange for *spaansee vruchten* (Spanish fruits, i.e., raisins, fresh fruits, almonds and nuts, etc.) as well as an extensive variety of colonial produce from Spanish America, such as cochineal and cocoa. But the key years in order to understand their favourable position in this trade were between 1655 and 1665, when their business grew just as much as did migratory flows into Spain. Both the Peace of Munster and the treaties of The Hague in 1673 were the landmarks where the Dutch achieved two of their main objectives: on the one hand, they were granted by the Spanish Monarchy the right to engage in trade with the American ports; on the other hand, they were allowed to settle and trade in Spanish cities, and to send ships to them (Crespo Solana 2001: 40; Sánchez Belén 2005). According to Jonathan Israel, it is a fact that the Dutch stepped into a favorable position in the Spanish markets, partly due to the increasing disagreements between Spain and both England and France especially between 1650 and 1660 (Israel 1990: 189-213). Gaining direct control over the access to Spanish markets both in America and in mainland Spain was the key issue for Amsterdam commercial firms, as it was the best way to ensure the survival of their trade routes and the links between several different economic spaces. All this was made possible, too, by Spain's heavy structural dependence on Dutch commerce. We therefore see Cadiz rise as the key center to several markets in the second half of the 17th century. Cadiz was also a major port of call in the Atlantic routes to the Canaries and America.

2 Everaert (1973); Swierenga (1985); Klooster (1998); Crespo Solana (2001); Postma/Enthoven (2003).

It seems to be a paradox that a great influx of Dutch immigrants into Cadiz happened in the second half of the 17th century. Despite the fact that hardly any *carta de naturaleza* or “naturalization letters” were granted by the *Casa de la Contratación* in that period, a great number of commission agents and representatives from the Low Countries settled in Cadiz in those years. Many more “naturalization papers” were granted to Flemish than to Dutch citizens, since the latter would hardly ever meet the requirements. Very few of such “papers” were granted to the Dutch between 1612 and 1693. The same situation happened in the 18th century.³ Besides, there were very few *contratos de compañía* – Company Contracts – signed in Cadiz by Dutch merchants in that period: only seven between 1650 and 1750. That is a very small number compared to an overall number of 108 contracts signed by merchants of all nationalities (Carrasco González 1997: 121-129). There is a simple explanation for both facts; Spanish sources give little or no information about migration of temporary labour force involved in secondary trading and financial activities that arrived in Cadiz within a specific framework, i.e., the *dienstcontract* or “office contract”, which was signed either in the Dutch cities themselves or on board the ships bound for Spain.

This migration process can be put into a social context where single, young men born into families of traders and seamen would temporarily leave their homes. A good part of them belonged to a Catholic minority that had emigrated from the southern Low Countries. Others were Jews. Most of them would end up in Spanish port cities as partners of Flemish or other local merchants, bringing with them a *dienstcontract* that explains their temporary stay. Such a contract would enable them to set up an office or warehouse in order to send and receive money from Amsterdam and goods for redistribution towards various destinations (Crespo Solana 2000: 25). Despite the success of Dutch direct trade with several American ports, Dutch presence in Cadiz rose during the second half of the 17th century. From the *Archivo Provincial de Cádiz* we see that the migratory influx into Cadiz was much more important than Dutch migration to its own American enclaves, which was, demographically speaking, a complete

3 Naturalization papers, AGI, CC 50B, 596, and 596B, 51B; AGI, Cons. 445; Domínguez Ortiz (1959).

failure (Lucassen 1991; Crespo Solana 2001: 139; Emmer 2001: 31-49). Between 1680 and 1740 approximately, Dutch migration to Cadiz increased. In a 1662 census, there is a high number of Dutch taxpayers (31), from whom over 11,000 *reales de vellón* were collected. Both Genoans and French came second with 27 individuals in each group; a similar amount of taxes was levied. There were 14 Englishmen and 10 Flemings (Ravina Martín 1976; Oliva Melgar 2004: 83). Although most of them were only temporary residents, a few settled and set up house and business as they found a favorable social environment. The Dutch colony had more than 40 or 50 families.⁴ In contrast to the sparse presence of Dutch merchants in American ports, in Cadiz, their presence and commercial activities were of great importance. Nevertheless, it is necessary to state that, from the sources available to us so far, it can be claimed that Dutch trade in the Atlantic has been grossly overestimated, and it only meant a small fraction of the overall Dutch trade worldwide, since its trade in other regions was significantly greater.⁵ Cadiz was a substantial part of Dutch trade in Europe as it was its gateway to America at a time when Mediterranean trade was in crisis.

There are several examples of direct trips of Dutch ships bound for Spanish America, without calling at Cadiz. Mainly, their destinations were ports in and around the Caribbean and near the ports in Dutch colonies. They were also bound for the continent: Portobelo, Cartagena de Indias, Buenos Aires and, especially, Caracas. Direct trade from Amsterdam was probably used to bring colonial products in high demand into Europe, the most highly profitable of all trading activities carried out by the Dutch. Such activities were probably complemented with indirect trips via Cadiz. The Spanish authorities always fought the illicit trade carried out by the Dutch on those direct trips. However, it is very interesting to notice that foreign trade through and from Cadiz was deliberately accepted. By and large, except during certain wars, Dutch trade from Cadiz enjoyed a seamless continuity. This was due to the economic and social integration of Dutch and Flemish colonies in this city (Moutoukias 1989; Crespo Solana 2000: 35). We

4 Testament and Proxies, AHPC, PN, Notarías 5, 9, 15, 19 and 23. In my doctoral thesis a complete list can be found (Crespo Solana 1999: Appendix).

5 Steensgaard (1990: 148-149); Klooster (1995: 207 [I am indebted to the author for providing me with the original text of his thesis]; 2003); Enthoven (2003).

must know the main features of Dutch trade in Cadiz in the second half of the 17th century so as to understand its continuity after Utrecht. So far, studying shipping figures was the most reliable way to assess trade, as one of the main problems faced by the researcher is the fact that sources do not offer reliable data about goods and products. For instance, in that period, merchandise would not normally be manufacturer stamped. We can only know the ship on which products were carried, but not their origin (Sánchez Belén 2005: 165).

Shipping data, however, have not been processed and analyzed in the *long durée* in the period between Munster and the Free Trade agreements signed around 1770, and onwards. Van der Woude, De Vries, Sée and Klooster have collected data regarding the second half of the 17th century. According to Sánchez Belén, a report by the Spanish Consul in Amsterdam at the time, states that 25 vessels from Holland arrived in Cadiz in 1684. Other sources show annual figures between 100 and 150 ships (Sée 1926: 189-199; Van der Woude/De Vries 1995: 476). Such data are incomplete and are not based on the one source that is, to my mind, the most reliable of all when assessing Dutch sea trade with Cadiz, i.e., the *Straatvaart* lists.⁶ Some works state that Cadiz did not appeal to Dutch traders since its warehouses were overstocked and because of the customs officers' zeal. However, profits gained through commission commerce helped to mitigate the situation.

It was a fact that Spanish trade with the Indies in the second half of the 17th century was not an easy business (Oliva Melgar 2004: 85). Besides, French products posed a stiff competition despite being banned from an already saturated market. In the 1680s and 1690s, imports by Cadiz-based traders slowed down and led the market into a crisis that reached its peak at the time of the War of Spanish Succession (Sánchez Belén 2005: 176). Nevertheless, the very nature of this trade would ensure its survival as it was based on produce from tropical areas which were in very high demand and had to be stocked at the

6 Between 1590 and 1625 the data were collected by the States Generals (*Staten Generaal*). Since it was founded in 1625, the *Directie van de Levantse Handel*, with branches in Amsterdam, Rotterdam, Hoorn and Middelburg, collected data on all ships bound for Cadiz (Heeringa 1917, II). Such data have been systematically used in my work for the 18th century (Crespo Solana 2000). Sources to be found in the NADH, LH Inventaris 1.03.01.

European staple markets. Large trading firms were growing increasingly powerful and wealthy owing to speculation at war times and the force-feeding of colonial products onto the markets. One of their main objectives was to gain control over the routes to the production areas. Not only were colonial products transported along these routes, but also a wide variety of goods demanded by the growing middle class in Europe and America. A great deal of such goods came from Asia: generally luxury items such as spice and expensive clothing. Cadiz would appeal to Dutch merchants for a number of reasons. One of them was American silver. It is widely known that Cadiz was extremely important as a drainage center for silver from America that was redirected to the rest of markets that the Dutch had access to. Numerous studies have dealt with the subject, and available figures show the ability of the Dutch to obtain large amounts of silver at Cadiz port. For instance, in 1682, 3,500,000 *pesos* in silver were sent to Holland. Such figures compare favorably to those for France. Certain works state that Holland was the main recipient of American silver, ahead of England and France. Silver was continuously drained away throughout the 18th century, but figures vary considerably from one year to another (Morineau 1985).

3. Two comparative issues: Direct commerce versus indirect commerce

There were two main routes connecting Holland to the American markets: What were their characteristics? What profits could be gained from them? A qualitative description of the functioning of these routes can be made, but a quantitative comparison between Dutch direct trade with America and trade via Cadiz still remains beyond our means.

As widely known, there was fierce competition in the American markets. The West India Company (*West-Indische Compagnie* – WIC) could only survive through smuggling against the aggressive commercial policies of the English and the French. Once the Dutch started to settle on certain islands of the West Indies, such as Curaçao and Sint Eustatius, these became important trading centers where smuggling with other colonies was commonplace. The ports in the area around the Caribbean were the ones most frequented by Dutch

convoys (Arauz Monfante 1984; Aizpurua Aguirre 1993). Apart from smuggling, the success of private Dutch commerce throughout the 18th century made it possible for firms to reap larger profits from commission-based trade and scales along the route, mainly at European ports. Such trade contributed to the primacy of the Dutch as freighters and financiers in the European markets. Even in times of crisis, Dutch direct trade with the Caribbean was higher than trade from Cadiz. Very high figures were registered between 1701 and 1750 (Klooster 1998: 73, 207-224). However, by and large, trade via Curaçao was not detrimental to Cadiz trade, as direct and indirect routes were actually complementary to each other. And their importance was related to the ports they were connected to. We can see that, throughout the 18th century, Cadiz would link to the destination ports for the fleets, galleons and register ships of the Spanish monopoly even before the marginal areas of the Caribbean were included in the routes as from 1740. As seen in Figure 1 below, Dutch involvement in register ships rose significantly in that year, while their involvement in the system of fleets and galleons decreased considerably. Conversely, Dutch trade – and smuggling – from its enclaves in the West Indies had always targeted those areas that had been heavily marginalized by the system of fleets and galleons but which had developed strong economies with a produce surplus due to their agricultural output. The latter was one of the reasons why the Dutch tried to seize Puerto Rico (Vila Vilar 1974). They also tried to reach agreements with the colonial elites in areas such as Panama or Venezuela. Their goal was to gain profits by financing local enterprises such as cocoa-producing farms and also by securing exclusive rights to transport the goods to Europe and, most importantly as this was their most profitable business, to provide them with slaves. Exceptionally, the Dutch also traded directly with Cuba and Santo Domingo. Nueva Granada was also one of the main areas for the Dutch to settle, although profits gained from trade at these ports have been overestimated. Dutch presence in these markets resulted in a flagrant violation of the unwritten colonial pact whereby overseas territories would not engage in direct trade other than with their respective metropolis. Not only Spain, but also France and especially England were affected by Dutch trade. In fact, England had Holland as its main enemy regarding England's monopoly with its own American colonies (Céspedes del Castillo 1983: 361; 1999).

Long-term consequences of this direct Dutch trade were more important from a functional and structural standpoint than in terms of profits. Dutch freights, highly attractive because of their low cost and their readiness and speed, constantly encouraged transit trade in the Caribbean both for the Dutch themselves and for other foreign traders. All this led to a high development of tropical, single-crop economies and their regional economic integration (Goslinga 1985).

Cadiz trade in the 17th and the 18th centuries was fundamental for Dutch commerce in Europe, because Cadiz provided access to various interrelated spaces. Besides, American trade became a profitable alternative for the ships of the Mediterranean trade when they went into a crisis and had to face fierce competition by the English and the Genoans. In certain junctures, Cadiz was a kind of factory of scale providing profitable access to American markets. It was a highly suitable port of scale for the Dutch, greatly appreciated by them on their long transatlantic journeys. As a result, Cadiz was highly appropriate for storing goods from various markets, such as Asia Minor, Italy, North Africa or Sub-Saharan Africa (ivory was brought into Europe through the caravans coming from Africa). The ships of the Dutch East India Company (*Vereenigde Oostindische Compagnie* – VOC) also called at Cadiz in order to store products from the Far East.

Certain Cadiz partners involved in such business trips were Flemish who had settled in the capital of the Spanish monopoly. They had appointed agents to carry out the trips, making the actual link between the stopovers along a route. We have the example of Diego Albrecht, freighter of the ship *The Peace* that belonged to the firm Guillaume Bellin de la Garde. He set sail in 1655 from La Rochelle bound for Amsterdam, calling at Las Palmas de Gran Canaria, Cartagena de Indias, Portobelo and Curaçao. According to Willem W. Klooster, at the time, the volume of direct trade between Amsterdam and the Hispanic American colonies was higher than trade through Cadiz, at least as far as the actual number of ships is concerned. However, this was a peak period for Dutch trade volume through Cadiz, and sailing between Amsterdam and Cadiz was very abundant, ranging between 150 and 200 annual ships (Moutoukias 1989: 121; Klooster 1998: 41-58, 208-220). During the second half of the 17th century, these Dutch-Flemish communities were able to keep their profitable business, although in hard competition with France and England. These two coun-

tries wanted to snatch from the citizens of the Dutch Republic the privileges granted to them by the Spanish government (Pulido Bueno 1993). It is a fact that the inability of Spain to supply its colonies with products that were in growing demand greatly favored collaboration between foreign and Spanish merchants, since the latter were forced to buy goods from foreign middlemen from North European firms in order to be shipped in the American fleets. It is estimated that in the first half of the 17th century, the profit share, in silver, on the return fleets from America was as follows: Holland: 30%, France: 25-30%, Genoa: 10%, England: 5-10%; the remaining 25 to 30% of the silver stayed in Spain (Everaert 1973: 239-294; Klooster 1998: 48). A war broke out, upsetting such arrangements: the War of Spanish Succession (1700-1714), bringing about two main consequences. Firstly, both English and French merchants were granted a series of privileges that brought them to a highly privileged position, second to none. Secondly, the Spanish government began a series of reforms which, although intended to strengthen the Spanish monopoly, were not enough to keep foreign interests away from Spanish cities and ports. Cadiz was a city where foreign merchants had generally developed and perfected a sophisticated series of symbiotic instruments of integration into society at all levels, especially economic and social. Through such symbiosis, for Flemish and Dutch communities, even though they had been pushed away from their top position, was nearly “business as usual”. In the year 1713, when the Peace of Utrecht was signed, Cadiz merchants eagerly expected the forthcoming implementation of certain commercial treaties that would undoubtedly bring them back their former privileges (as we can see from the explanation given by Martín Guillermo Van Hemert, consignee in May of that year of the Dutch ship *The Jorge and Isabel*).⁷

7 Shipping in *El Jorge e Isabel*, Cádiz, May 1713, AHPC, PN 9/1576, 398; Contract, Proxies and attestations, 1713-1725, GAA, NA 5881/1447, 6033/1353, 622, 1377; 6485/715; 6052/1683; 4656/465; 4632/654; 6033/1582; 5975/718; 4658/218.

4. Trade in Cadiz in the 18th century: mechanisms and legal strategies

As I have already shown in my works, the route between Amsterdam and Cadiz was the mainstay of this integration of economic spaces between the north and the south of Europe. It was also the main trade link connecting the Europeans and Hispanic America. This was something of a paradox, as Cadiz was the headquarters of the Spanish institutional monopoly with America, as well as the naval base for the fleets, galleons and register ships. Although trading activities in the city were closely monitored by the Spanish administration for foreign trade, it was there where most foreign merchants trading with America could be found. The studies on foreign presence in Cadiz are nowadays very numerous and illustrative. There is a wealth of examples of the mechanisms and the nature of a trade that is probably very similar to that carried out by so many foreign colonies in many other port cities in Atlantic Europe.

Cadiz-based Dutch trade originated in the port of Amsterdam, which was the *entrepot par excellence* where all northern European trading firms were based, making this city the international financial and trading center of the time. After the turning point that the route between Amsterdam and Cadiz went through in the final years of the War of Spanish Succession (between 1709 and 1714 approximately), maritime connection between both ports began to recover. It happened thanks to the regular line of the fleet of the *Amsterdam and Middelburg Society of Oriental Trade*, or *Levantse Handel*, institutionally framed in several previous agreements between the Spanish Monarchy and the States Generals. The Society would fit out and inspect a convoy bound for Southern Spain and the Admiralty of Amsterdam would oversee the whole process. There is a wealth of information about how this commercial route was organized. It is to be found both in Amsterdam and Cadiz, where there are countless freight contract documents.⁸ At a time when the decadence of Mediterranean commerce became apparent, this very Amsterdam–Cadiz route linked with other regions and more attractive markets. The official connection between Cadiz

⁸ Reports by Dutch Consuls from Cadiz *Comptoir*, 1713-1778, NADH, LH 173-174; Crespo Solana (2000: 21-32).

and America forced many businesses previously trading with Eastern areas, to relocate their contacts and partners to American ports.

The route between Amsterdam, Cadiz and the American ports was fundamental for Dutch commercial firms. There is a very interesting document that offers an important valuation of this route: the reports on the Spanish fleet attacked and wrecked near Vigo in 1702. This year meant a crucial moment in the political context, as the Anglo-Dutch alliance had declared war on Spain. The best part of commercial houses in Amsterdam showed their dissatisfaction at such war actions on a country in which they had strong commercial interests. Those firms sent their goods to American ports on board the Spanish fleets. The value of such cargoes ranged between 500 and 2,000 florins for each firm. Since such fleets always left from the Bay of Cadiz, agents there for those Amsterdam-based commercial firms stored goods for their bosses and sent them out when ordered. On August 15, 1702, the ports and towns of Rota and El Puerto de Santa María, in the Bay of Cadiz, were raided by an Anglo-Dutch fleet. The Spanish fleet sailing back from America, initially bound for Cadiz, was forced to seek shelter at the port of Vigo, in Northern Spain. A second Anglo-Dutch fleet waylaid the Spanish ships; most ships were wrecked and sunk. After the event, an inventory was made. We can gather from it that Dutch firms did not approve of a war that jeopardized their commercial interests, as the losses to be made in this type of naval disasters were huge.⁹ It is possible, in the light of some sources, to make an approximate valuation on this trade starting from Utrecht. But before that, a description of its nature is needed.

Upon a study of the characteristics of Cadiz-based, Flemish and Dutch commercial companies, what first springs to mind is their high degree of complexity. This is due to a long process of integration into local society, at levels far exceeding the merely economic. As the main reason for the massive arrival of foreigners in Cadiz was their involvement in the American trade, most members of the Flemish and Dutch colonies were merchants (34.8%). Very often, Flemish families already settled served as welcome centers for many small and medium

9 Inventories of shipments to New Spain, June 20, 1720, Thomas Coghen and Diego Van Havre, GAA, NA 5672/1454-1458; Inventory of the fleet at Vigo, NADH, LH 279; Kamen (1966).

merchants coming from the merchant and manufacturing cities of the Republic, as they arrived in Cadiz intending to make profitable business. In the decades following the Peace of Utrecht, a new migratory wave of Flemings and Dutch citizens into the Bay of Cadiz took place. Very soon, there will be a sharp rise in Flemish businesses, coinciding with the relocation of the *Casa de la Contratación*, the Spanish Board of Trade, from Seville to Cadiz. There was also a steep rise in maritime traffic from this port since 1715. It is worth noting, nevertheless, the open rivalry between English, French and Flemish merchants, as well as the predominance reached now by British trade, which practically superceded the United Provinces in its economic relationship with Spain (Pulido Bueno 1993: 37-80; Crespo Solana 2001: 128).

The strategies of Cadiz-based Flemish and Dutch businesses bear a strong resemblance with those developed by other communities of this nationality settled in other geographical areas of Europe, such as the Baltic and the Mediterranean.¹⁰ The interrelated group of mercantile and financial activities was carried out, generally, within a particular legal framework, i.e., the commercial company. The way trade was organized was very much like the way the networks of correspondents and maritime routes were connected. That way, the existence of a commercial firm provided the company's internal cohesion. Besides, the organization of such companies was very similar to other firms of correspondents or agents. Their evolution and dynamics, although fluctuating, were stable in the long run. Centralization of the networks, together with their extent, allowed capital to flow and to be deposited for credit purposes in the cities for later use. Techniques and mercantile practices carried out in such activities did not experience a great evolution in time. Deposit of money, commission, currency exchange, insurance, as well as the various occupations related with maritime transport were some of the key aspects on which the organization system of these companies was based.

Two fundamental pillars, i.e., the *goederenhandel* or *warenhandel* (trade of goods) and the deposit of money in the towns, were two intrinsically related aspects. They were essential for merchants in connection with the American market, as they enabled them to store an amount of goods to be loaded in the fleets bound for New Spain as

10 Engels (1997); Veluwenkamp (2000); Weber (2004); García Fernández (2005).

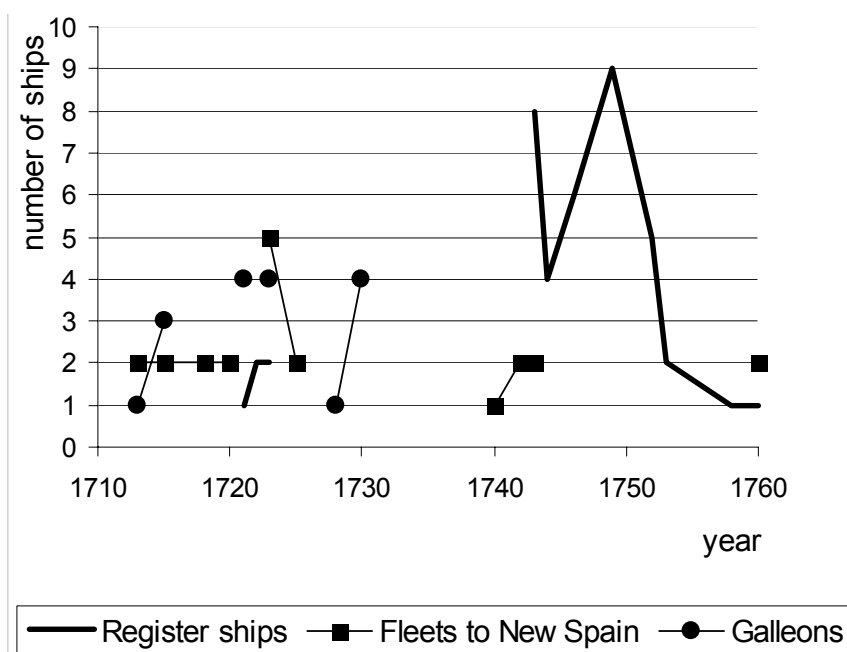
well as on the register ships that set sail regularly to various ports around the Caribbean and to the mainland. The reason for the credit deposits was to maintain the trade of goods, since the best part of such goods was brought in the fleet of the *Levantse Handel* (Crespo Solana 2000: 32-36). Founded in June 1625, this society specified in its regulations that a branch should be set up in Cadiz, where merchants and correspondents or agents, both in Amsterdam and in Cadiz, should pay a series of taxes in order to guarantee the legality of this trade. This Dutch Oriental convoy began to arrive in Cadiz annually, coinciding with the time of the year when preparations were made for the departure of the fleets and galleons arranged by the Spanish Board of Trade.

The relationship between goods and deposit of money was very important. It was also the means to check the consignee's effectiveness in the port: ships loaded with goods freighted by a commercial firm arrived at the destination port where the consignee was the firm's agent. He would then store the merchandise and would go on to sell it and redistribute it. He would also pay the business' overheads at port and keep the money that was not his own, in deposit, to be used later as instructed by his partner. The accounts would be settled when the supplier thought it to be appropriate, or at certain important moments in the life of any of the partners, such as a wedding or a death. Some documental types, such as the inventories of bankruptcies, although not very abundant, give us details of how the storages or the deposits were carried out, and how the payments between suppliers and buyers were made. In these indirect businesses, Dutch merchants played a pivotal role as middlemen regarding the capital flow between the marketplace – Cadiz – and the financial capital – Amsterdam. That way this coming and going of money and goods would go round full circle. It all happened despite the fact that, sometimes, many years would have to lapse between the beginning and the completion of a business with America through Cadiz. In most cases, such deposit accounts would be opened in Cadiz, with the purpose of storing both capital and merchandise, in locations near the ports of the Bay of Cadiz, destined to the ships bound for America. Warehouses were located in Cadiz and in El Puerto de Santa María, and their keepers would regularly send out the merchandise, either in their own name or in someone else's, whether in the fleets or on the register ships. The way such deals were conducted hinders any calculation of the volume of goods

shipped and received by the Dutch community in Cadiz; and the same applies to all other foreign communities. But it is a known fact that the structure of those exchanges was substantially invariable, i.e., the export of Spanish fruits, raw materials (such as wool), wine and colonial produce in exchange for the import into Spain of textile and other manufactures that would then be shipped to America. Such was, in essence, the basis of this traditional economic relationship. According to some specialists in Economy of the Low Countries during the 17th and 18th centuries, towards 1700, between 150 and 200 ships every year would cover the route between Amsterdam and Cadiz, and would load up to 30% of the silver that arrived in Cadiz from America.¹¹

The documents found in the General Archive of the Indies in Seville are completely complementary to the notarial documents from the municipal archives in Amsterdam and Cadiz. That is why it is feasible to make a general and approximate assessment of the evolution of this trade since 1713. The fluctuation of profits is closely related to the commercial flow that Dutch merchants kept with the American ports. It is also related to the flow of Cadiz economy itself. The general tendency of participation in the fleets, galleons and single register ships is shown in Figure 1 below. This figure has been drawn from the building of a database of register ships as well as the *conocimientos* of goods signed by those merchants involved in the fleets and register ships bound for the Indies (The *conocimientos* were a kind of notarial deed listing and describing the type of goods shipped by a merchant and their value).

11 *Dienstcontract*, GAA, NA 2942/520; AHPC, PN 9/1578, 342; Sée (1926: 190).

Figure 1: Dutch participation in fleets, galleons, and register ships

Source: Register Ships, 1713-1778, Books of Registers from the *Casa de la Contratación*, AGI, CC 1281-1284; *Conocimientos* (Knowledge) of merchandises, AHPC, PN, Notarias 5, 9, 15, 19, 23.

There is deep controversy over the amount of precious metals collected on return of the fleets from America in order to be transported to the Low Countries. Relevant available data are scattered throughout. Nevertheless, we will mention the data collected by Morineau and García-Baquero from the *Gazettes* of Amsterdam, because of their interest. There are further available data from Spanish sources that show evidence of the Dutch ability to obtain American silver, even after 1700. In fact, the amount of metal that arrived to Amsterdam was very high. Such quantities explain, to a great extent, the high quantity of silver in circulation in the Low Countries. In fact, there was a great surplus, in spite of the large amounts of it that flowed to the East. This situation had a strong influence on both the great financial peak of Amsterdam and its serious cycles of crises that began in 1720 (Morineau 1985: 351-549; Pol 1985; García-Baquero González 1996: 203-

266). However, profits obtained by Cadiz-based Dutch traders were, comparatively, much smaller than those obtained by the French. France, together with England, had found a way very deeply into the Spanish markets. Both countries together obtained almost 42% of the silver registered on the return ships (Klooster 1998: 46). Between 1721 and 1740, when the reforms carried out by the Administration of Phillip V were implemented, it became apparent to foreign merchants that they would have to use the classic convoys of fleets and galleons for their commercial purposes. Those were very difficult years, until late in the 1730's, due to several causes: firstly, the crisis suffered by Europe because of the War of Spanish Succession; secondly, the old recurring problems of the Spanish merchant navy, in serious need of encouraging ship-building – this was the main reason for the creation of the *Intendencia General de Marina* (or General Administration for the Navy). Everything contributed to a slump in the fitting-out of the fleets, bearing a strong negative influence in private trade. There was a further underlying problem that explains the recession curve in the participation of the Dutch in the ships for the Indies: a sharp rise in direct participation by England, as well as the strong competition posed by the members of the British colony in Cadiz. Besides, fleets and galleons in those years were very badly affected by misfortune: a great deal of high sea accidents and shipwrecks, combined with the need for long stays at American ports, which delayed return trips between 20 months and 5 years. There are multiple testimonies of the damage caused in the purses of Cadiz-based foreign merchants. As a knock-on effect, these had to delay payments to their partners in the North.¹² However, the largest amounts of gold and silver recorded as having arrived in Europe, according to the Gazettes, are for the 1720s. At the same time, there was an increase in the involvement of Flemings and Dutch in the fleets and galleons.

It is possible to make an assessment of the peak years of such involvement, insofar as the number of ships freighted, and the goods and products bound for America. We can tell from Figure 1 that the highest level of involvement in fleets and galleons happened around 1717, when trade tribunals were relocated from Seville to Cadiz. It

12 Cases described in AHPC, PN 9/1589, 661-666; 23/5317, 703; 9/1578, 306; GAA, NA 11457/109; 11374/129.

was also a time when a high number of fleets were fitted out and sent (such as that in 1720, where a great number of Flemish and Dutch merchants were involved). The main way to trade with America via Cadiz was to load goods in the fleets and galleons. The level of involvement in the second half of the 17th century and in the first part of the 18th century was very high. But the Anglo-Spanish War in 1739 negatively affected all Cadiz trade. In those years, Dutch merchants began to suffer stiff competition by the English in the Bay of Cadiz. Here is a fact: in 1734 only 147 Dutch ships anchored in the bay. That was only 14.6% of the total for that year; there were 596 English ships and 228 French ones (Klooster 1998: 57). It was very often that foreign Cadiz-based merchants had to use English and French ships, as there was a shortage of Dutch vessels available in the bay at certain times. This kind of situation had been unheard of in previous times.¹³

5. The route to America: examples of networks and vested business interests

How can we describe the intrinsic nature of these networks? The only way to do it is by analyzing several examples within a theoretical framework that includes sociological premises as well as historical anthropological premises (Baud 1994: 83). For instance, when we look at the cooperation between Flemish and Dutch traders in Cadiz, their close ties between 1720 and 1740 become apparent. Other communities also took part in the game, included the natives, who doubtlessly made handsome profits from the foreigners. Flemish-Dutch cooperation began to falter late in the 1750s. Their common interests started to break apart even at their home countries, possibly due to the political crisis originated by the Orangist Revolution and the political shift that occurred in the Southern Provinces. Although this theory still remains to be proven, there is some documental evidence (Serruys 2006). Whereas the Flemings in Cadiz were more interested in reinforcing direct trade with Flemish ports such as Ostend, Dutch traders in Cadiz continue with the strategy of introducing their ships of the Levant fleet as register ships bound for America. Such strategy

13 Statement by Joseph Gadeyne in 1748, AHPC, PN 25/5338, 120.

seemed to reach very high levels in the 1740s and the 1750s (see Figure 1).

For the most, the structure and connections of the networks that Cadiz-based Flemish and Dutch merchants had spread all over the American ports cannot be fully depicted, although several instances can be shown. Broadly speaking, such networks would link many Dutch commercial activities in Cadiz with those American harbors that were not directly connected to Amsterdam. Powers of proxy granted by Dutch traders to Flemings, Spaniards and other agents appointed in American ports provide a great deal of information regarding such commercial ties. Most of such documents were drawn up in order to ensure the selling at the American ports of all the merchandise on board the register ships and in the fleets and galleons (Bustos Rodríguez 1994: 155-169). Business would remain to be profitable for as long as the frequency of the fleets would allow it and providing that the networks would remain fully operational. The main American connections for Dutch traders in Cadiz were as shown in Table 1 below.

Table 1: Main American ports related with Dutch trade from Cadiz (1689-1730)

Ports	Number of ships
Cartagena	22
Mainland (1)	44
La Guaira /Caracas	8
Veracruz	48
Portobelo	26
Tabasco	2
Buenos Aires	14
El Callao	2
Maracaibo (2)	4
Santa Marta	2

Source: Books of *registro* ships between 1717-1740, *Pliegos y Reglamentos de Registros de venida*, 1717-1778, AGI, CC 1281-1284. This survey has been compared with the notarial documents of the AHPC, PN, Notaría 9 (deeds for the years 1690-1729).

It is necessary to highlight that many ships bound for *Tierra Firme* – the mainland – arrived at several harbors not shown in the table. These ships sailed within the fleets of Galleons. It is also worth noting the low number of trips to destination ports that, nevertheless, were very commonly used by Dutch fleets in their direct trade from the Republic. Such ports were Caracas and La Guaira. They were, together with other islands and continental ports around the Caribbean area (such as Puerto Rico), usual operation centers for both Dutch smugglers and those Flemish and Dutch merchants that came from Cadiz during the years of the War of Spanish Succession. Most of the trade in this area was actually illegally undertaken, and it was never officially verified or recorded. Nevertheless, many of those merchants that had by then settled in those smuggling centers carried on operating as partners of the merchants from Cadiz. From them they received cargoes of goods to be sold, and they sent back produce, such as cocoa, straight to Spain on the return ships, without having to go by the warehouses in Amsterdam (Emmer 2001).

There were many vested interests in the merchants' involvement in the fleets and galleons. Since Cadiz was a gateway to America, a great deal of commercial firms regarded the American markets as suitable for more lucrative business (more profitable certainly than the trade carried out by the *Levantse Handel* with the Mediterranean ports). Sadly, it is not possible to find out whether this trade with Spanish America via Cadiz was higher than direct trade from the ports of the Republic, or indeed higher than that carried out mainly from its own Caribbean colonies. Despite the ban, it is known that a great number of ships that left Amsterdam under the flag of the States Generals crossed the ocean bound for the Spanish territories overseas. This could happen either deliberately or because of bad weather and wrong winds. On many occasions, such as the case of the *Veleta Marija* in 1746, the ship put in at Cadiz and then at Tenerife, before crossing the Atlantic towards Cartagena, Buenos Aires or Caracas.¹⁴ However, more often than not, once arrived in Cadiz as part of the fleets of the *Levantse Handel*, those Dutch ships, after a convenient change of name, would be registered as galleons or into the Spanish fleets bound for America. How were they able to do this? Obviously

14 Ship loaded in Amsterdam by Jan Smidts in 1746, NADH, LH 173.

with the help from Spanish merchants, from Flemings settled in Cadiz, or indeed once given the green light by the officials of the Board of Trade, who also took part in this illegal game.

Although there are no definite quantitative data, Dutch involvement in the fleets, galleons and register ships could have been very high as well as highly diversified, ranging from operations such as the underwriting of policies of marine risk, to appointing a *testaferro* or front man, as well as all the other usual commercial activities. There are reports showing that in the 1720s, a high percentage of the trade with the ports of Havana, Veracruz and Cartagena de Indias was carried out by Dutch shipping from Cadiz. Interestingly, though, in Portobelo, fierce competition from the French meant that hardly any other European nation was able to trade at this port. As an example of the predominance of the Dutch, it is worth recalling that firms from the Low Countries monopolized the trade in certain products such as cocoa or cochineal. It was also them who exported most fabrics and textile manufactures to the ports of Spanish America, just as they did in the 17th century (Everaert 1973: 372-379; García-Baquero González 1976, I: 324-325). As far as the re-export business is concerned, they brought to Europe products such as indigo, quinine and other drugs, as these were not available in their own overseas centers.

In the first decades of the 18th century, Dutch merchants re-directed goods on board the fleets and galleons. And it was done either in the name of the ship's captain, of the ship master, or in the name of a trustworthy agent or consignee. There are testimonies of some of these consignments, sent mainly in the 1720s by highly reputable Cadiz-based Flemish families. It is highly likely that, without the help of these families, the fleets would have not overcome the crisis experienced early in the century. For instance, the fleet of New Spain arranged by Fernando Chacón, set sail with a cargo of textile goods worth about 371,777 silver *reales*, freighted mainly by the Coghen y Montefrío family and in the name of Joseph of Leyza.¹⁵ Other Cadiz-based merchants loaded ships on their own behalf. Such was the case of Francisco Joseph Van Hemert, loading in the fleets of the 1720s and up to the 1760s, to a total of 16,091 *palmos*, and an equivalent amount of wine and spirits. It is generally possible to depict almost all

15 Declaration of Beatriz Jacome, February 1, 1723, AHPC, PN 5/996, 36.

these traders from Cadiz in a similar way as Van Hemert, born into a family originally from Haarlem (García-Mauriño Mundi 1999: 304). They were exporters of textile products and metals, and only occasionally of agrarian products, as the latter were, as it has been said, merchandise for the Europe-bound return ships. And there are no indications to demonstrate that the involvement was different from that described here. Most of the time, the Dutch dealt only in manufactured products.

Second and third generations of Dutch and Flemings became completely Spanish. This process was advantageous not only to themselves, but also to their relatives' trading firms in the Low Countries, as the latter used to trade through the former. That was the reason why Flemings were always the first citizens to be accused of contravening the main prohibition of the Spanish monopoly, i.e., to receive commands from foreigners. Flemish descendents were granted a good deal of licenses by the *Casa de la Contratación*. Such licenses allowed them not only to load goods but also to travel on board the fleets and galleons. But this was only a part of the connection between Cadiz and America carried out by Dutch businesses. On many occasions there have been mentions of a kind of indirect involvement, characterized mainly for being an illegal, undercover activity. One of such frequent ways to take part was that that involved a *testaferro* or Spanish agent or middleman that loaded the fleets with goods stored on behalf of or brought into the city by foreigners. All foreign merchants were able to appreciate the importance of Cadiz as a money depot, a warehouse and an information center. All the above explains the existence of such a great deal of documents from the notarial offices in Cadiz stating the true identity of the owners of the merchandise loaded onto the ships. The most appropriate thing to do is to explain this involvement exactly as the merchants themselves described it, although there were only a very few cases when the merchants admitted how they engaged in such trade. Christian Duisbergh embarked, on the galleons arranged by the Conde de Casa Alegre, "a frangote of merchandise in the name of Juan Arteaga y Ochoa, on whose behalf the receipt was signed at the foot of the invoice by Cristóbal de Barrabarzena, who

was his consignee”.¹⁶ Since the consignee had died, the trade officials, by virtue of the contents of the invoice, collected the capital belonging to the Dutchman from the Consulate of Cadiz, worth 5,446 *pesos* and 5 *reales*. Before his death, Juan of Arteaga had secretly signed a deed for the same amount, with Joseph of Iriarte as the beneficiary, who should hand in the money to Duisbergh. Apparently, this Dutch merchant had various other sums of money deposited in the Consulate by way of invoices for goods sent to America in different fleets or on register ships.

This kind of collaboration between Flemish and Dutch merchants in Cadiz was on the increase since 1720. But in 1740, the implementation of the system of single register ships meant a reinforcement of the alliance between both colonies with the idea of embarking a high amount of merchandise. The implementation of such system would help Dutch merchants to profit again from the gold and silver that arrived in Cadiz, as they were heavily involved with most Cadiz-based Flemings who would serve them as storekeepers for capital on deposit and merchandise. The money was used to finance cargoes bound for the Indies. According to the information found in the newspaper *Amsterdam News*, the highest percentage of gold and silver from America (in *libras tornesas* and in *piastras*, although no figures are quoted) between 1748 and 1753 came from New Spain; Lima and Cartagena also sent a great deal – with similar amounts quoted for each –, as well as Buenos Aires and Caracas. These harbours were the ones most frequented by Cadiz traders from the Low Countries in those years (Morineau 1985: 381). Register ships were an interesting alternative to the system of fleets, although there were many risks involved. Battles in the Atlantic always posed a threat for register ships, and such trips were likely to end up as shipwrecks or to be the victims of attacks. Although in 1754 the system of fleets was restored, there are few indications that Dutch merchants began to use them as before, and the use of register ships continued to be the preferred way, as shown in Figure 1. This spectacular growth could have been encouraged by a new era of hegemony for Dutch trade in Cadiz. In the 1750s and 1760s, the number of Dutch ships in the Bay of Cadiz

16 Will by Christian Duisburg, a Catholic trader from Amsterdam but residing in Cadiz, March 11, 1738, AHPC, PN 2/371.

seemed to grow (up to 155 or 38.1%) just as there was a sharp decline in the number of English and French ships. The likely reason for it could be the battles in the Atlantic, on which both England and France had to focus, driving them away from the commerce in Cadiz during the Seven Years' War and leaving Holland as the sole nation capable of concentrating on it.¹⁷

Table 2: Gold and silver brought into the Republic from Cadiz

Year	Amounts in <i>pesos escudos</i>	Amounts in florins
1758	1,670,000	-
1759	2,920,000	300,000
1760	4,770,000	3,900,000
1761	1,110,000	180,000
1762	-	1,200,000

Source: Report, 1762, AGS, Estado 6338.

The problems in the American colonies were a reflection of this rivalry in the very heart of the Spanish monopoly. In 1759, the members of the Amsterdam firm Pierre and Stephanus Locquet seemed to reflect such situation when they granted a power of proxy to the Cadiz firm Verduc & Vincent Co, in order to collect goods to be loaded onto the Dutch ship *De Vreede*. This ship had been captured in Jamaica by English corsairs. Such incidents were also noticeable in Port au Prince as well as in other Caribbean ports. All this trouble switched attention away from Cadiz, and the Dutch seemed to concentrate on American ports. There was a great deal of trouble for Anglo-Dutch trade in Caribbean ports during the Seven Years' War.¹⁸

It has been said that this active involvement was somehow sustained by the close collaboration with the Spaniards. Obviously, in such a problematic historical context, negotiating through Spanish middlemen was one of the main ways to gain access to the American silver loaded in the return fleets. One of the widespread tactics was to secretly load goods on the ships bound for the Indies straight from the

¹⁷ Reports on Dutch ships in Cadiz, 1758-1763, AGS, Estado 6338, 6364.

¹⁸ Statement on February 28, 1759, GAA, NA 11380/162; January 15, 1760, GAA, NA, 10291/38; AHPC, PN 23/5334, 160-162.

Dutch ships anchored in the Bay of Cadiz. On return of the fleets, the same strategy would be used, loading the silver straight onto Dutch ships that would then set sail as part of the convoy to Amsterdam. Using a middleman or *testaferro* was perfectly accepted by Dutch firms – as they shamelessly stated in 1716 – in order to avoid merchandise and precious metals to be confiscated by the Spanish authorities. This strategy poses one of the main difficulties, making it impossible to quantify Dutch trade with America. According to them, “all invoices, *conocimientos* and consignments of products belonging to Dutch or to other Cadiz-based foreign merchants that are to be sent to Spanish America must always be drawn in the name of a Spaniard”. And it was added that “this was a necessary practice in order to avoid the confiscations of goods”.¹⁹ The procedure was as follows: merchants would sell their products to a Spanish merchant that would make a part payment in advance. The balance went on credit, usually through a contract of marine risk.

These practices would normally work perfectly, unless misfortune struck, which would hinder the arrival of the profits at the hands of the actual owner of the merchandise. In the already mentioned case of Christian Duisbergh, in 1738, the shipment of goods for America was declared as belonging to Juan of Arteaga y Ochoa, a Cadiz citizen and a member of the Order of Santiago. This course of action was necessary “as the grantor is not allowed because he is of a foreign nation”.²⁰ In such cases, foreign merchants could be hit by unpleasant news: the seizure of their gold and silver “in service to the Crown”. These confiscated goods, however late, would almost invariably be returned to their owners, plus any interest accrued. On certain occasions, the money seized by the Crown was returned as an amount, or license, of tons, which, paradoxically, seemed to set the wheel of interests in motion again. The involvement in the register ship was, maybe, the most lucrative business. Although this type of shipment had a prece-

19 Statement on July 14, 1716, GAA, NA 5821A/ 556: “Philippe Courtier, Francisco Van Hemert, Frederick Mandt, Francesco de Roy, Isaac Rutgers en Jean de portier, kooplieden in Amsterdam, verklaren, dat de facturen, connossementes en consignatiën der goederen van Nederlandse of andere buitenlandse kooplieden, welke uit Cadiz, naar de Spaanse Westindiën altijd gaan op de namen van Spaanse onderdanen, Dit gebruik was nodig, omdat de goederen namens niet Spanjaarden sèller geconfiskeerd warden”.

20 Codicil of March 11, 1738, AHPC, PN 2/371.

dent from the years immediately after the Peace of Munster (1648), in the 18th century it was perfected and its volume increased due to diverse institutional factors such as the implementation of the reform process in Spain. The main consequence of this process was, no doubt, the increase in register ships, which began to reach a higher number of American harbors.

There was an endemic problem in Spain, which forced merchants to devise a specific strategy: the lack of Spanish shipbuilding production. This problem meant that foreign ships had to be used in order to reach an adequate number of ships for the Spanish convoys to America. The use of Dutch transport, even necessary in this trade, made it possible for foreign merchants of all nationalities to include Dutch ships, having previously changed their name and sold them in Cadiz to Spanish and Flemish partners, as register ships to America. There is evidence to show that some Dutch companies received consignments on ships under Dutch flag loaded with diverse goods and whose cargoes were immediately embarked on the *naos* for New Spain. Sometimes, a Dutch ship as a whole was registered for America. The operations carried out in this Amsterdam-Cadiz-America circuit can be proven in the description of some cases that took place in the 1750s and 1760s, as there is enough information available.

However, it is so far impossible to quantify a practice that could be very habitual mainly due to the shortage of ships in the navies and the Spanish fleets. An example already described as follows. In 1767, the ship *De Ludermina María*, after arriving in Cadiz on behalf of Amsterdam merchant Michel Goris and in the name of his correspondents De Somer & Van Rechem, set sail for Veracruz as a register ship as part of the fleet of New Spain.²¹ Her cargo was textiles. In such cases, Amsterdam firms conferred powers of proxy and sent money to their partners in Cadiz to enable them to include their ships in the despatch of the fleets. These ships set off with the same cargo (or maybe with new merchandise added in the Bay of Cadiz) heading for America. In a proxy of the year 1710, an order can clearly be seen with the purpose of sending goods on board the fleets to the Indies in the name of a correspondent. This correspondent either travelled on the ship as an agent or was already living in America, and was respon-

21 July 24, 1767, GAA, NA 11457/109.

sible for the merchandise “to be sold in the West Indies on behalf of Gaspar and Manuel Winjgaert”.²²

The consignees found another appealing business, i.e., buying and selling Dutch ships, or even ships of other nationalities, to be later sent to America as single register ships convoyed by warships. The cases registered by notaries, although not very numerous, offer significant examples of direct commercial trips to America. Although some of the ships were not built in Dutch shipyards, they were all consigned to Cadiz-based Flemish or Dutch merchants, and were sold in the city. Such was the case of a ship from Genoa bought by Henrique de Roo and sons after buying a sailing license for the Indies. Or the case of the formerly English ship *San Felipe*, bought by Livino B. Van den Broucke, which sailed to Buenos Aires. Also bought in the bay was the ship from Hamburg *La Galera del Naranjo Dorado*.²³ Shortly afterwards, Admiral Adrián Colarte became her proud owner, although the galley had just arrived in Cadiz with a cargo of goods consigned to the Flemings *Bellot and Warnck*.²⁴

In general terms, the way a ship was sold in Cadiz was as follows: the agreed price was paid; sometimes a certain amount of money was included for the captain, together with, in some cases, a hat as a gift, although the gift could also be money.²⁵ Besides, the *alcabala* – a kind of import tax – had to be paid, together with a 4% tax for the general Collection of Rents of the city. The payment of tax shows that the Spanish authorities were perfectly aware and informed of such transactions.²⁶ When the ship was sold in Cadiz, the terms of the repayment schedule was set by the freighter. For the most, having sold the whole ship with its cargo and crew meant actually keeping a fair share of the whole business of going to the Indies. In May 1743, Lorenzo Del

22 Quoted literally: “om ze in West-Indie te verkopen ten behoere van Gaspar en Manuel Winjgaert”; Proxy granted by the Wijngaert brothers to Gaspar de Conincq y co, Cadiz, Amsterdam, January 31, 1710, Merchandise was consigned to Diego Alonso Toscano, in Honduras, GAA, NA 2941/73 (see Crespo Solana 2001: 79).

23 AHPC, PN 23/5338, 140-46; AHPC, PN 23/5322, 456-460.

24 Cases described in AHPC, PN 5/992, 5/1030, 9/1585, 9/1586, 9/1605, 16/3768, 19/4452, 23/5338, 23/5322; GAA, NA 7965/55, 8048/17, 10453/755.

25 Purchase of a ship by Adrián Colarte in 1743, AHPC, PN 23/5322, 456-460.

26 Sale of the *The Ana María Galley*, of the captain Cornelio Leendertsz in 1743, AHPC, PN 9/1605, 299-300.

Arco, a Cadiz merchant, bought a ship from the *Directie van de Levantse Handel* called *The Ana María Galley*. 36,000 florins was the asking price, inclusive of the load. Amsterdam merchant Louis Laer hired interpreter Jacob Jacobsenz on these instructions:

[...] if you happen, although I doubt it, to find a gentleman inclined to the purchase of the ship with all her belongings save for the passport of Algiers, you should obtain for her 36,000 florins, average currency of Holland, hard cash first thing and in no other way.

The galley eventually fetched 32,000 florins (18,000 “pesos escudos en plata vieja de a 128 cuartos”).²⁷

Along the evolution of commerce in Cadiz, the peak was reached soon after the use of register ships became widespread; and foreign merchants were very much engaged in it.²⁸ Commercial firms in Cadiz were also openly involved. The obvious reason for it was that register ships were much more regular than fleets and galleons from 1739 onwards. Merchants enjoying special privileges as citizens of the Flemish nation were openly financially involved in the fitting out of the register ships. They used to appoint a manager to liaise with the consignee appointed by the register licensee in order to oversee all operations.²⁹ Another way for Dutch traders to collaborate with the Spaniards has been called the *supercargo* by W. Klooster, where several Spaniards joined forces in order to obtain a license for a shipment to the Indies. Foreign merchants introduced their products in the shipment after having given a loan to the Spanish licensees. Such particular way of trading was known as participation or sharing in the licenses of tons. Licensees were allowed to share in a ship's cargo for a certain number of tons. They then did make those tons available in the open market. Dutch ships were often used. The Flemish consignee of the ship would have provided the Spaniards with the capital to pay the Administration for the license. This kind of mortgage-like loan entitled both the consignee and the captain of the ship to load merchandise on their own ship. These loans also allowed the creditors to embark their own goods.

27 Cadiz, May 23, 1743, AHPC, PN 9/1605, 299-300.

28 Proxy, Cadiz, May 23, 1743, AHPC, PN 9/1605, 299-300; García-Baquero González (1976: 163).

29 Cadiz, January, 26, 1730, AHPC, PN 9/1593, 30.

On other occasions, a Dutch register ship would be made available to Cadiz merchants by her Flemish owner. Such was the case of Livino Bernardo van den Broeck, owner of the *Ana María y San Félix*, captained by Joseph Félix de Flores, who was granted the king's permission for a register ship to Cartagena. In February, 15.1748 the captain became the proxy for the owner, in charge of raising the capital needed for the trip.³⁰ Such powers of proxy illustrate the existing obligations between the captain of the ship and the owner of the register ship: the captain was fully accountable for all money, payments to officers and crew, hiring the crew for the return trip, as well as for the whole maintenance and upkeep of the ship. With regards to strictly commercial duties, the captain was responsible for delivering to the consignee the merchandise loaded on the ship on departure, exactly as stated in the register. Once in Cartagena, he requested the appropriate certificates from the royal officials. Both captain and consignee were also responsible for the sale of the goods.

Regarding the financing side of this trade, it is worth noting that, from the great variety of services related with sailing and shipment, the Dutch and Flemish colonies were behind a great number of private loans. There was a gradual shift from the old fleets and galleons to the register ships, and an increased trade, which was fuelled with capital through private commercial loans and policies of marine risk. Table 1 shows the evolution of such investments, taken from notarial documents which provided a wealth of information on these commercial loans. Marine risk policies included a mortgage, which was a very common practice in Cadiz and elsewhere in Spain, and in the rest of Atlantic and Mediterranean Europe. Some Dutch merchants, owners of ships that were part of convoys, or owners of cargoes and merchandise loaded on those ships, requested loans to subscribe policies of marine risk. The premium was almost invariably payable on return to Cadiz in silver minted in America. For this operation, a Spanish correspondent had to be appointed. Many verified cases show that the capital came mostly from the Flemings' financial operations in Cadiz, acting as bankers for the deposit of capital, and the Dutch merchants involved in the *Straatvaart* route. The Flemish community in Cadiz invested capital, however irregularly, in the American trade by means

30 Proxy, Cádiz, February 15, 1748, AHPC, PN 25/5338, 92-96.

of this well-known financial instrument. This was a very usual type of contract in the trade with America, and its documental description has been so profusely dealt with that we will obviate it. From a total sample of 67 policies of marine risk, signed between 1717 and 1763, more than half were worth a minimum of 1,000 *pesos escudos* (52.2%). It is worth stating, however, that these loans were moderate when compared to other contracts underwritten by merchants from the Bay of Cadiz. It appears that Flemish and Dutch merchants reaped largest profits from other types of financial services whose legal framework seemed to be similar to the risk. Flemish and Dutch bankers in Cadiz had large amounts of capital available to be invested partly on American trade. Commerce in Asia Minor was also targeted, as there is evidence of capital deposits in the hands of Flemish bankers loaded onto ships of the VOC anchored in the Bay of Cadiz, before continuing journey to the oriental markets. Between Cadiz and Amsterdam a mechanism had been set in motion that produced a constant output of capital, going both ways. The Bay of Cadiz was a major center for redirecting gold and silver.

Regarding the investments in the contracts of marine risks, the amount of the loan was linked to the value of the embarked merchandise -usually textiles. The cargo owner also provided the capital. This type of contract was mostly a credit instrument, but it also specified a series of duties designed to feed the whole circuit of operations in order to keep the machinery going along certain business lines. Its use was widespread in the Amsterdam-Cadiz route. Local men could also be involved in raising the capital needed to conduct trade with America with the help from the Dutch. Marine risk was a very effective instrument for collecting American silver. The moneylender/underwriter used to be the owner of the goods. He could either embark or sell the merchandise. Spanish masters, agents or correspondents, and captains, provided the legal framework for this trade. The lender also provided cash that "went running the risk" ("*corriendo riesgo*") on the trip.³¹ Merchandise was thus insured by the lender as well as by the individuals involved in handling the goods, who "would take it upon

31 Contract of *riesgo marítimo* (Maritime Risk) between Hercq & Vandentrille and Dionisio del Duque, Cádiz, October 8, 1726, AHPC, PN 9/1589, 661-666.

themselves to account for the safety of such effects or fruits”.³² This way risk contracts and marine policies always sailed together on each and every ship bound for America. On return, profits gained with the merchandise or the silver meant canceling the policy and settling all accounts, fulfilling a whole cycle. Middlemen helped to guarantee the fulfillment of the cycle by storing and selling the goods. As far as the repayment schedule is concerned, it could take up to five years for capital and interests to reach the hands of the lender [...] as long as the merchandise sold well in America and middlemen and sailors were not struck by misfortune. Ships brought colonial products consigned to the underwriters of the policies. For instance, all register ships from Caracas brought cocoa consigned to several Flemish merchants. It could also happen that the contract of risk was applied to goods bought in America by the lender. A risk contract was worth “10 thirds of cloth outbound and three portions of cocoa worth a total of 4,903 pesos homebound-value of the going risk. The cocoa would be loaded on the same ship and consigned to the lenders”. Flemish merchant Guillermo of Wint received a cargo of coca on a register from Caracas on a full round trip. This is enough for illustration purposes.³³

Flemish and Dutch merchants’ financial involvement in trade in Cadiz by means of the contracts of marine risks started to diminish in the 1760s. There are only two policies from 1760 underwritten by the Fleming Alejandro Beyens, although he had cargoes in the fleets of later years. Also, one policy underwritten by another Fleming in 1768, six policies underwritten by the firm Hercq y Vandentrille in 1765, and five by Román Vienne in the fleets of 1774 and 1776 (Bernal 1992: 592). It is worth noting again that the destination ports on these contracts generally implied a round trip. The port of Veracruz was the most frequented with 35.8% of the times. Then Portobelo (19.4%) and Cartagena de Indias (17.9%). The highest number of entries for fabrics from the Low Countries is also found in Veracruz. It seems that their minor presence in other ports, such as Buenos Aires, La Guaira or Maracaibo means that Flemish and Dutch merchants brought their goods to America on the register ships. The total figures amount to

32 Contract of *riesgo marítimo* (Maritime Risk) between Hercq & Vandentrille and Dionisio del Duque, Cádiz, October 8, 1726, AHPC, PN 9/1589, 661-666.; Bernal (1989: 288-313).

33 Contract, Cádiz, July 2, 1723, AHPC, PN 19/4452, 638-39.

more than five million florins. Private loans were not always profit-driven, as immersed in a society of wide interests. Besides funding American trade, Flemings and Dutch in Cadiz lent money to other foreign merchants just arrived in town.³⁴ Other North European firms investing indirectly on the Cadiz market also borrowed money from them. Some companies *hit by warfare and lack of trade* resorted to them to raise capital. Running interest types ranged between 5 and 8%. Cadiz had become a major financial center, complementary to Amsterdam. Cadiz was the main center for collecting gold and silver for Dutch bankers. It is not surprising then the keen interest shown by commercial firms in the Republic to keep the link with their relatives and friends and partners in Cadiz and their American businesses. This Cadiz connection explains, to a great extent, that precious metals kept being drained away from Spain and into the Dutch's hands throughout the 18th century. The great flexibility in loan repayment offered by Flemings and Dutch in Cadiz gave them ample room for manoeuvre as private bankers. Speculation was a main feature of marine transport. That is why marine risk policies were inextricably linked to this kind of business. This financial instrument was perfected within Dutch commerce, as there was a long tradition in Antwerp and Bruges going back to the Middle Ages. Marine risk in the Southern Low Countries was, still in the 18th century, very similar to that in Amsterdam. Interest rates and premiums varied depending on the geographical area and the juncture, ranging between 3 to 6% in the Atlantic and 4 to 7% in the Mediterranean. Foreign merchants also monopolized the insurance business in Cadiz in the second half of the 17th century. A proof of this is a document dated in 1688 on insurance policies and premiums payable for trips to and from Cadiz, where clauses were to be decided on by representatives of the merchants. Throughout the 18th century, most business trips from, to or stopping over in Cadiz were insured in Amsterdam. However, there is little information on this kind of contract, as the only written evidence is found when shipwreck or other misfortune prevented the insurers from collecting the premium. Interest in American market was notorious. Cadiz-based Flemish and Dutch merchants delegated in their correspondents the implementation of insurance policies on cargoes on board the fleets and register ships.

34 AHPC, PN 9/1576, 733.

It is worth mentioning, as an example, the policy underwritten by Octavio Barbour, a member of the consulate of the Netherlands, which illustrates freight and insurance practices. In 1751, Barbour & Compañía signed a policy worth 10,000 silver *escudos*, running the regular risk on a ship owned by the Fleming Livino Bernardo Van de Broucke. The ship sank off Corrientes Cape, which meant that around 15,000 *pesos escudos* had to be paid by the underwriters to cover the loss of the ship and all its fittings. In March 1752, Barbour & Compañía underwrote a policy covering a shipment owned by Spanish merchant Lorenzo del Arco, worth 233,691 *reales* on board the *Nuestra Señora de la Esperanza*. After the shipwreck, “off a wild coast next to Rio Grande, in the vicinity of the port of Buenos Aires, loosing the entirety of the hulk and the cargo, and perishing the whole crew”, the underwriters had to pay 7,360 pesos.³⁵

To sum up, whenever there was a possibility of speculative business, merchants from all nationalities would engage in them, even Spaniards. Speculation in concessions of licenses of tons was somehow arbitrary, as Spanish officials granted them in exchange for bribes or goods, in an attempt to fill up the ships and make such long and hazardous trips worthwhile. However far from quantifiable, such complex speculative network built around Cadiz trade had turned this city into a paradise for survival for all and sundry.

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35 Declarations, Cádiz, 1751, AHPC, PN 25/5748, 410.

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